# GOVERNMENT OF INDIA
# SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTR
# LOK SABHA

UNSTARRED QUESTION NO:5782
ANSWERED ON:25.04.2001
LIBERAL INSTITUTIONAL CREDIT
CHANDRAKANT BHAURAO KHAIRE

**Will the Minister of SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTR be pleased to state:**

(a) whether the small scale industries are facing numerous problems due to negative attitude of banks in getting credit support;

(b) if so, the facts thereof; and

(c) the steps being taken to help the small scale industries by providing liberal institutional credit?

## Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF SMALL SCALE INDUSTRIES AND AGF RURAL INDUSTRIES (SMT. VASUNDHARA RAJE)

(a) to (c): The SSI entrepreneurs/Associations have been bringing to the notice of the Government the problems being faced by them in obtaining adequate credit from the Banks including those due to negative attitude of banks. Government has taken various measures to improve the flow of credit to the SSI Sector some of which also formed part of comprehensive policy package on SSIs announced by the Government on 30th August, 2000.

The measures taken recently in this regard include simplified procedure for sanction of working capital loan upto Rs. 5 crores based on normative requirement of 20% of the annual projected turnover of the units, dispensing with collateral for loans upto Rs. 5 lakhs enhancement of Composite Loan limit upto Rs. 25 lakhs, enhancement of limit of project cost upto Rs. 50 lakhs under the National Equity Fund Scheme, setting up of specialised SSI bank branches, and operationalising the Credit Guarantee Scheme for providing loans upto Rs. 25 lakhs without collaterals.